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JOB CUTS REMAIN LOW AT THE START OF SUMMER; 24,586 JOB CUTS ANNOUNCED IN MAY

CHICAGO, June 3, 2021 – Job cuts announced by U.S.-based employers rose 7% in May to 24,586 from the 22,913 announced in April. Last month’s total is down 93.8% from May 2020, when employers announced 397,016 cuts, according to a report released Thursday from global outplacement and business and executive coaching firm Challenger, Gray & Christmas, Inc.

So far this year, employers have announced plans to cut 192,185 jobs from their payrolls, down 86% from the 1,414,828 jobs eliminated through the same period last year.

“Many employers, especially those hit hard during the pandemic, such as Retailers and Hospitality and Leisure companies, are having a difficult time finding workers. Many are offering signing bonuses or higher wages to attract workers,” said Andrew Challenger, Senior Vice President of Challenger, Gray & Christmas, Inc.

“As the labor market tightens, as is typical, workers may find employers offering more attractive perks and benefits, including higher starting wages, as they look for positions,” he added.

In fact, according to the latest data from the Bureau of Labor Statistics, the average hourly wage rose to \$30.17 in April from \$29.96 in March. Meanwhile, Amazon is offering \$1,000 signing bonuses for new workers, while Tops Friendly Markets, a grocery chain in New York, is offering \$2,000 signing bonuses for eligible positions.

Health Care/Products led all industries in cuts in May with 2,775, followed by Education with 2,617. This industry includes cuts in early childhood education.

Transportation companies cut 2,285 jobs, while companies in the Automotive sector announced 2,109 cuts last month.

Aerospace/Defense leads all industries in job cuts this year with 32,779, a 30% decrease from the 47,010 announced through May 2020. Telecommunications follows with 24,824 cuts, down 11% from the 27,961 cuts announced last year.

Cuts attributable to COVID-19 fell to 686 in May, from 209,147 announced in May 2020. So far this year, employers used this reason for 7,608 cuts, compared to 984,037 through May of last year.

Challenger tracked 783 cuts attributed to the COVID-19 recovery phase last month, including from companies who made masks and other personal protective equipment cutting workers as demand dips.

Employers announced 49,118 hiring plans in May, the lowest monthly total since last May, when 38,981 hiring plans were announced.

Challenger continues to follow losses in the News industry, which is tracked as a subset of Media cuts. Through May, Newsrooms have announced 963 job cuts, with 88 occurring in May. That is down 91% from the 10,576 cuts through the same period last year, with 7,804 occurring in May 2020. These cuts include digital, print, and broadcast news.

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JOB CUT ANNOUNCEMENT REPORT**

Table 1: EXECUTIVE SUMMARY

TOP FIVE INDUSTRIES

Year To Date

	2021	2020
Aerospace/Defense	32,779	47,010
Telecommunications	24,824	27,961
Services	16,608	107,366
Retail	13,594	151,416
Entertainment/Leisure	11,848	578,886

MONTH-BY-MONTH TOTALS

	2021	2020
January	79,552	67,735
February	34,531	56,660
March	30,603	222,288
April	22,913	671,129
May	24,586	397,016
June		170,219
July		262,649
August		115,762
September		118,804
October		80,666
November		64,797
December		77,030
TOTAL	192,185	2,304,755

Some reductions are identified by employers as workers who will take early retirement offers or other special considerations to leave the company.

LAYOFF LOCATION

Year To Date	2021	2020
Washington	38,164	55,137
Texas	28,351	109,242
California	25,237	297,197
Missouri	10,420	25,363
Illinois	9,723	39,860

Listings are identified by the location of the layoff or corporate headquarters as stated in announcement.

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Table 2: JOB CUTS BY INDUSTRY

	20-May	21-Apr	21-May	YTD 2020	YTD 2021
Aerospace/Defense	21,960	933	773	47,010	32,779
Apparel	1,896			13,646	555
Automotive	17,284	1,218	2,109	73,576	5,049
Chemical	84	78		284	113
Construction	1,567		580	7,288	741
Consumer Products	7,363	208	106	21,614	2,068
Education	5,519	1,233	2,617	15,327	7,687
Electronics	1,772	105	556	3,465	1,954
Energy	3,271	762	922	23,574	8,883
Entertainment/Leisure	163,680	1,283	699	578,886	11,848
Financial	990	449	602	7,294	4,959
FinTech	491		128	1,624	556
Food	2,486	2,223	203	13,719	6,721
Government	2,979	1,712	574	20,204	4,272
Health Care/Products	13,031	3,493	2,775	45,430	11,656
Industrial Goods	21,200	930	1,974	64,390	4,057
Insurance	401		201	2,891	5,232
Legal	222			829	0
Media	8,091	138	447	16,750	3,271
Mining	1,518			8,201	175
Non-Profit	18,758		252	44,106	611
Pharmaceutical	32		2,134	951	2,322
Real Estate	1,333	171	9	9,599	634
Retail	37,089	609	1,053	151,416	13,594
Services	34,229	5,382	1,415	107,366	16,608
Technology	18,480	578	1,809	53,072	4,854
Telecommunications		482	185	27,961	24,824
Transportation	6,317	778	2,285	35,434	6,411
Utility	435		53	1,382	354
Warehousing	4,538	148	125	17,539	9,397
TOTAL	397,016	22,913	24,586	1,414,828	192,185

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Table 3: JOB CUTS BY REGION, STATE

EAST	May-21	YTD 2021	YTD 2020
Connecticut		929	6,105
Delaware		100	4,651
Dist. of Columbia		264	1,138
Maine		177	2,004
Maryland	99	1,913	30,110
Massachusetts	422	5,299	26,981
New Hampshire		29	87
New Jersey	1,661	3,330	35,183
New York	1,411	7,439	146,672
Pennsylvania	1,702	5,072	59,364
Rhode Island	470	470	1,197
Vermont		500	769
TOTAL	5,765	25,522	314,261

MIDWEST	May-21	YTD 2021	YTD 2020
Illinois	2,417	9,723	39,860
Indiana		1,209	21,547
Iowa	389	624	4,540
Kansas	57	422	11,478
Michigan	141	1,991	38,989
Minnesota	51	5,803	64,865
Missouri	1,385	10,420	25,363
Nebraska		73	1,757
Ohio	116	2,136	72,494
Wisconsin	234	1,169	18,167
TOTAL	4,790	33,570	299,060

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Table 3 (cont'd): JOB CUTS BY REGION, STATE

WEST	May-21	YTD 2021	YTD 2020
Alaska			1,844
Arizona		2,090	11,613
California	4,647	25,237	297,197
Colorado	829	1,956	29,700
Hawaii		1,498	1,412
Idaho	302	1,034	1,705
Montana			370
Nevada	144	303	5,494
New Mexico	305	574	2,632
North Dakota		333	583
Oklahoma	777	2,199	7,860
Oregon	117	1,390	21,033
South Dakota		120	524
Texas	2,039	28,351	109,242
Utah			922
Washington	507	38,164	55,137
Wyoming	1	16	489
TOTAL	9,668	103,265	547,757

SOUTH	May-21	YTD 2021	YTD 2020
Alabama		504	4,477
Arkansas		22	1,831
Florida	998	7,155	112,237
Georgia	1,560	6,238	14,422
Kentucky	42	648	25,641
Louisiana	14	266	5,161
Mississippi		1,223	357
North Carolina	715	2,348	22,957
South Carolina		1,519	10,869
Tennessee	273	7,068	43,597
Virginia	761	2,837	7,714
West Virginia		0	4,487
TOTAL	4,363	29,828	253,750

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Table 4: JOB CUTS BY REASON

	May-21	YTD
Market Conditions	200	48,047
Demand Downturn	336	39,444
Closing	5,425	31,328
Restructuring	6,118	27,275
Acquisition/Merger	25	9,260
Cost-Cutting	2,376	8,465
COVID-19	686	7,608
No Reason Provided	3,284	3,824
Contract Loss	2,068	3,422
Bankruptcy	650	2,278
Relocation (International)	200	2,082
Climate Change Concerns		1,700
Semiconductor Shortage	1,641	1,801
Technological Update		1,200
Voluntary Severance/Buyouts	40	1,023
Relocation (Domestic)	259	813
COVID-19 Recovery	783	783
Outsourcing Operations to Another U.S. Company		770
Financial Loss	266	443
Consolidation	154	410
Natural Disaster		90
Wildfires		62
Sexual Misconduct Allegations	40	40
Police Protests	35	35
TOTAL	24,586	192,203

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Table 5: QUARTER BY QUARTER

	Q1	Q2	Q3	Q4	TOTAL
1989	9,850	10,100	24,085	67,250	111,285
1990	107,052	87,686	49,104	72,205	316,047
1991	110,056	76,622	147,507	221,107	555,292
1992*	110,815	85,486	151,849	151,850	500,000
1993	170,615	84,263	194,486	165,822	615,186
1994	192,572	107,421	117,706	98,370	516,069
1995	97,716	114,583	89,718	137,865	439,882
1996	168,695	101,818	91,784	114,850	477,147
1997	134,257	51,309	95,930	152,854	434,350
1998	139,140	131,303	161,013	246,339	677,795
1999	210,521	173,027	173,181	118,403	675,132
2000	141,853	81,568	168,875	221,664	613,960
2001	406,806	370,556	594,326	585,188	1,956,876
2002	478,905	292,393	269,090	426,435	1,466,823
2003	355,795	274,737	241,548	364,346	1,236,426
2004	262,840	209,895	251,585	315,415	1,039,735
2005	287,134	251,140	245,378	288,402	1,072,054
2006	255,878	180,580	202,771	200,593	839,822
2007	195,986	197,513	194,095	180,670	768,264
2008	200,656	275,292	287,142	460,903	1,223,993
2009	562,510	318,165	240,233	151,122	1,120,908
2010	181,183	116,494	113,595	118,701	529,973
2011	130,749	115,057	233,258	127,018	606,082
2012	143,094	139,997	102,910	137,361	523,362
2013	145,041	113,891	128,452	121,667	509,051
2014	121,341	124,693	117,374	119,763	483,171
2015	140,214	147,458	205,759	105,079	598,510
2016	180,920	132,834	121,858	91,303	526,915
2017	126,201	100,799	94,478	97,292	418,770
2018	140,379	104,800	120,879	172,601	538,659
2019	190,410	140,577	133,882	127,687	592,556
2020	346,683	1,238,364	497,215	222,493	2,304,755
2021	144,686				144,686
AVG	199,714	185,951	183,158	194,564	

**Estimate based on half-year total. Challenger began tracking job cut data in 1993. Before that, it was tabulated by an independent newsletter no longer published.*

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Table 6: ANNOUNCED HIRING PLANS

By Month	2021	2020	2019	2018	2017	2016	2015
January	72,063	23,229	74,040	41,890	136,501	8,362	8,774
February	146,403	88,202	15,279	139,925	25,765	7,539	14,574
March	97,767	824,610	96,368	14,525	127,006	10,997	6,412
April	76,345	285,639	258,302	13,842	61,537	11,557	13,898
May	49,118	38,981	8,663	9,889	77,447	24,732	12,598
June		75,454	11,946	13,504	40,095	13,564	11,176
July		246,507	22,316	9,823	88,142	16,051	11,637
August		160,411	24,937	17,274	14,530	9,101	11,778
September		929,860	459,689	595,997	422,726	487,075	492,306
October		255,198	190,835	130,338	37,387	135,532	86,107
November		185,504	19,063	15,422	61,300	108,994	10,026
December		77,267	26,313	15,999	8,218	35,198	11,465
TOTAL	441,696	3,190,862	1,207,751	1,018,428	1,100,654	868,702	690,751

In February, Lowe's announced they would hire 50,000 workers for spring and summer.
 In May, 7-Eleven announced they would hire 40,000 workers for the summer months.

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Table 7: ANNOUNCED HIRING PLANS

INDUSTRY	21-Mar	YTD 2021	YTD 2020
Aerospace/Defense	1,082	10,296	3,355
Apparel		0	0
Automotive	800	8,655	2,961
Chemical		546	0
Construction	435	5,885	557
Consumer Products	2,345	11,657	786
Education	125	3,665	120
Electronics		2,729	56
Energy	286	3,493	4,000
Entertainment/Leisure	300	54,762	83,100
Financial	500	14,911	1,770
FinTech	600	975	0
Food	150	2,729	7,696
Government		66,230	0
Health Care/Products	30	30,594	2,430
Industrial Goods	446	15,238	2,650
Insurance		1,300	1,000
Legal		30	0
Media		725	12
Mining		850	0
Non-Profit		258	0
Pharmaceutical		1,347	660
Real Estate		1,594	0
Retail	41,000	118,665	582,110
Services		14,140	560
Technology	979	24,797	6,008
Telecommunications		1,830	3,730
Transportation	40	16,794	555,500
Utility		14,818	0
Warehousing		12,183	1,600
TOTAL	49,118	441,696	1,260,661